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ANNUAL REPORT



CONTAINER CORPORATION OF AMERICA

CHICAGO, ILLINOIS

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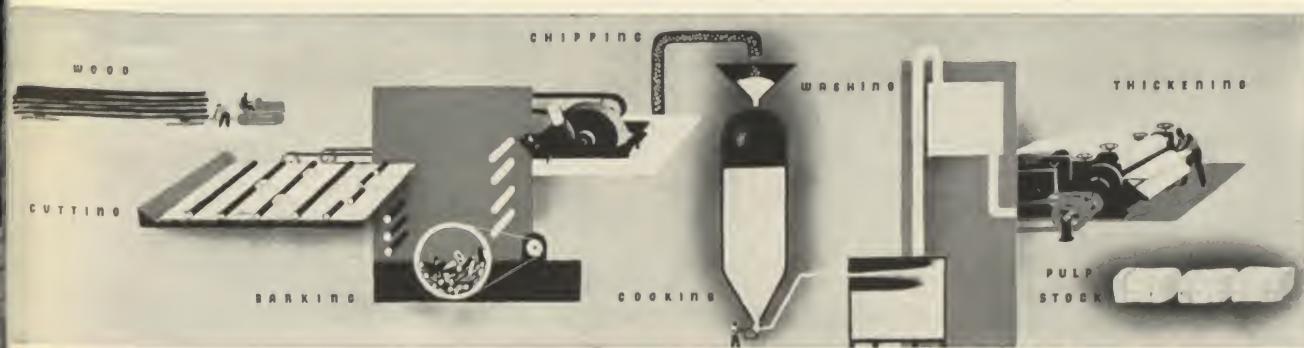
For newspaper release after  
9:00 A.M. Eastern Standard time

March 3, 1952

FISCAL YEAR ENDED DECEMBER THIRTY-FIRST  
BOARDS

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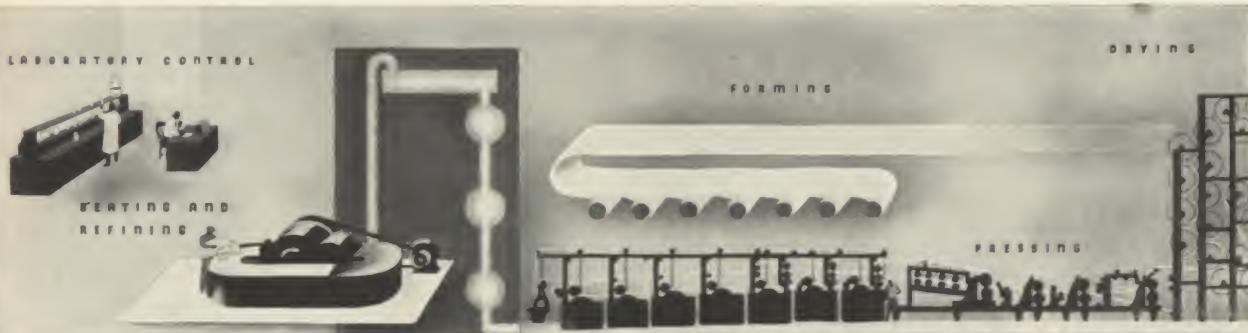
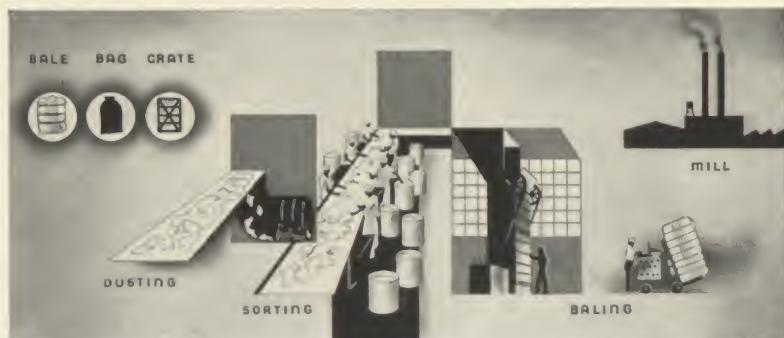
The Annual Meeting of the shareholders will be held on Wednesday, April 9, 1952. A notice of the meeting, together with a form of proxy and a proxy statement, will be mailed to shareholders on or about March 14, 1952, at which time proxies will be requested by the management.



### Making Paperboard

*Above: The process of reducing wood to pulp for paper making. Showing in order, cutting, barking, chipping, cooking, washing and thickening.*

*Right: Waste paper, a paperboard ingredient, in bales, bags and crates; its dusting, sorting, baling and its destination, the paperboard mill.*



ANNUAL REPORT

MARCH 4, 1952

*Above and Right: The manufacture of paperboard begins with laboratory control and continues with beating and refining, forming, pressing, drying, calendering, slitting, cutting and winding.*



**CONTAINER CORPORATION OF AMERICA**  
**38 SOUTH DEARBORN STREET, CHICAGO 3, ILLINOIS**

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**DIRECTORS** WILLIAM R. BASSET, Greenwich, Connecticut  
JOHN E. BIERWIRTH, New York, New York  
HENRY B. CLARK, San Diego, California  
WESLEY M. DIXON, Chicago, Illinois  
JOHN L. DOLE, Chicago, Illinois  
RICHARD G. IVEY, London, Ontario, Canada  
WILLIAM P. JEFFERY, New York, New York  
IRA C. KELLER, Chicago, Illinois  
WALTER P. PAEPCKE, Chicago, Illinois  
JOHN V. SPACHNER, Chicago, Illinois

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**EXECUTIVE COMMITTEE** WILLIAM R. BASSET                    RICHARD G. IVEY  
JOHN E. BIERWIRTH                    WILLIAM P. JEFFERY  
WESLEY M. DIXON                    WALTER P. PAEPCKE

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**OFFICERS** Chairman of the Board, WALTER P. PAEPCKE  
President, WESLEY M. DIXON  
Executive Vice President, IRA C. KELLER  
Executive Vice President, JOHN V. SPACHNER  
Vice President, LAURENCE T. McCURDY  
Vice President, JAMES E. PURVIS  
Vice President, JOHN G. ROBINSON  
Vice President, FRANK J. SAUER  
Vice President, JOHN D. SPENCE  
Controller, CARL M. BLUMENSHEIN  
Treasurer, PAUL W. GUENZEL  
Secretary, EARL A. WAGONSELLER  
Assistant Controller, EDWARD J. STOUT  
Assistant Treasurer, ARTHUR R. JOHNSON  
Assistant Secretary, HANS J. GREVEN  
Assistant Secretary, CLARENCE H. SEELEY

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**TRANSFER AGENTS** CONTAINER CORPORATION OF AMERICA, Chicago, Illinois  
CITY BANK FARMERS TRUST COMPANY, New York, New York

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**REGISTRARS** CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST  
COMPANY, Chicago, Illinois  
THE NEW YORK TRUST COMPANY, New York, New York

## OFFICERS OF SUBSIDIARY AND FOREIGN COMPANIES

**O. B. ANDREWS COMPANY** Chairman of the Board, JOHN V. SPACHNER  
President, GEORGE W. BOH  
1st Vice President, DONALD H. BREWER  
2nd Vice President, OLIVER B. ANDREWS, JR.  
Treasurer, WILLIAM M. O'MALLEY

**CALIFORNIA CONTAINER CORPORATION** Chairman of the Board, IRA C. KELLER  
President, WILLIAM P. HOOKER  
Treasurer, PAUL W. GUENZEL  
Secretary, EARL A. WAGONSELLER  
Controller, GERALD C. WEILAND

**PIONEER PAPER STOCK COMPANY** President and Treasurer, ARTHUR U. CLAGHORN  
Vice President, ARTHUR J. FURTH  
Vice President, EDWIN I. ORR  
Secretary, HARRY C. PEARSON

**SEFTON FIBRE CAN COMPANY** Chairman of the Board, IRA C. KELLER  
President, ALBERT J. BAUMGARDT  
Vice President, RALPH B. BUSCH

**CARTON INTERNACIONAL, S. A.** President, WALTER P. PAEPCKE  
Vice President, WESLEY M. DIXON  
Vice President, JOHN V. SPACHNER  
Vice President, FRANK C. CARDER  
Treasurer, PAUL W. GUENZEL  
Secretary, DR. CARLOS ICAZA A.

**CARTON DE COLOMBIA, S. A.** President, DR. EDUARDO URIBE BOTERO  
General Manager, FRANK C. CARDER

**CARTOENVASES DE MEXICO, S. A.** President, JOSE MARIA GOMEZ  
Treasurer and Secretary, SANTIAGO GOMEZ

A GLANCE AT THE LAST FIVE YEARS

	1951	1950	1949	1948	1947
Sales.....	\$212,562,019	\$154,841,198	\$114,770,627	\$131,056,327	\$128,345,675
Tons shipped.....	914,861	863,888	673,038	725,798	675,583
Earnings per common share....	\$12,065,997 \$5.91	\$12,016,626 \$5.87	\$8,777,328 \$4.23	\$10,424,593 \$5.06	\$10,273,603 \$5.05
Dividends paid and declared..... per cent of earnings... preferred (per share)... common (per share)...	\$5,813,657 48% \$4.00 \$2.75	\$5,838,327 49% \$4.00 \$2.75	\$4,355,086 50% \$4.00 \$2.00	\$4,856,033 47% \$4.00 \$2.25	\$4,801,133 47% \$3.44 \$2.25
Earnings retained for requirements of the business.....	\$6,252,340	\$6,178,299	\$4,422,242	\$5,568,560	\$5,361,679
Depreciation.....	\$3,543,809	\$3,045,298	\$2,731,924	\$2,507,074	\$1,756,156
Factory and paper mill improvements.....	\$6,984,301	\$6,430,681	\$5,594,884	\$7,942,579	\$9,602,406
Working capital (liquid funds less current payables).....	\$24,643,414	\$22,594,037	\$20,805,637	\$18,748,467	\$17,242,886
Taxes (Federal, state, and local)..... per common share....	\$27,868,542 \$14.07	\$12,828,886 \$6.48	\$7,531,478 \$3.80	\$7,968,025 \$4.02	\$7,945,261 \$4.01
Hourly wages paid.....	\$35,335,515	\$31,026,068	\$23,549,362	\$25,291,473	\$23,057,949
Shareholders' investment per employee.....	\$6,241	\$5,416	\$6,250	\$5,412	\$4,818

**CONTAINER CORPORATION OF AMERICA  
AND SUBSIDIARY COMPANIES  
CHICAGO, ILLINOIS, MARCH 4, 1952**

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**TO THE SHAREHOLDERS AND EMPLOYEES OF  
CONTAINER CORPORATION OF AMERICA**

Submitted herewith is the Annual Report of Container Corporation of America for the year ended December 31, 1951, together with the Auditors' Certificate, Consolidated Balance Sheet, and statements of Consolidated Income and Earnings Retained for Requirements of the Business. The four wholly owned subsidiaries are included in these Consolidated Statements.

A GLANCE AT THE LAST FIVE YEARS appearing on the opposite page provides a concise summary of pertinent facts.

**FINANCIAL REVIEW**

EARNINGS. Consolidated net earnings for 1951 aggregated \$12,065,997 compared with \$12,016,626 for 1950. In each instance these earnings are after all charges, including provisions for depreciation and for Federal, state, and local taxes. After preferred dividends the net earnings were \$5.91 a share on the 1,980,948 shares of common stock outstanding at the end of the year, compared with \$5.87 a share on the same number of shares at the end of the preceding year.

Earnings before Federal taxes were 64% greater than in the preceding year. Due to the tremendous increase in the provision necessary for Federal income taxes (\$25,050,000 for 1951 versus \$10,680,000 for 1950) net earnings showed only a slight increase.

Federal income taxes for the year as required by the Revenue Act of 1951 averaged 67% of earnings before taxes.

The higher pre-tax profit reflects primarily a 37% increase in sales. Unit volume increased 5.9%; the balance of the sales improvement resulted from a full year of higher selling prices. The larger part of the sales increase compared with the preceding year appeared in the first six months of the year. Units shipped during the second half of 1951 were slightly less than during the second half of 1950.

During the last half of the year some raw material costs were lower than the last half of 1950. However, wages and administrative and selling costs continued their uninterrupted, though gradual, upward spiral.

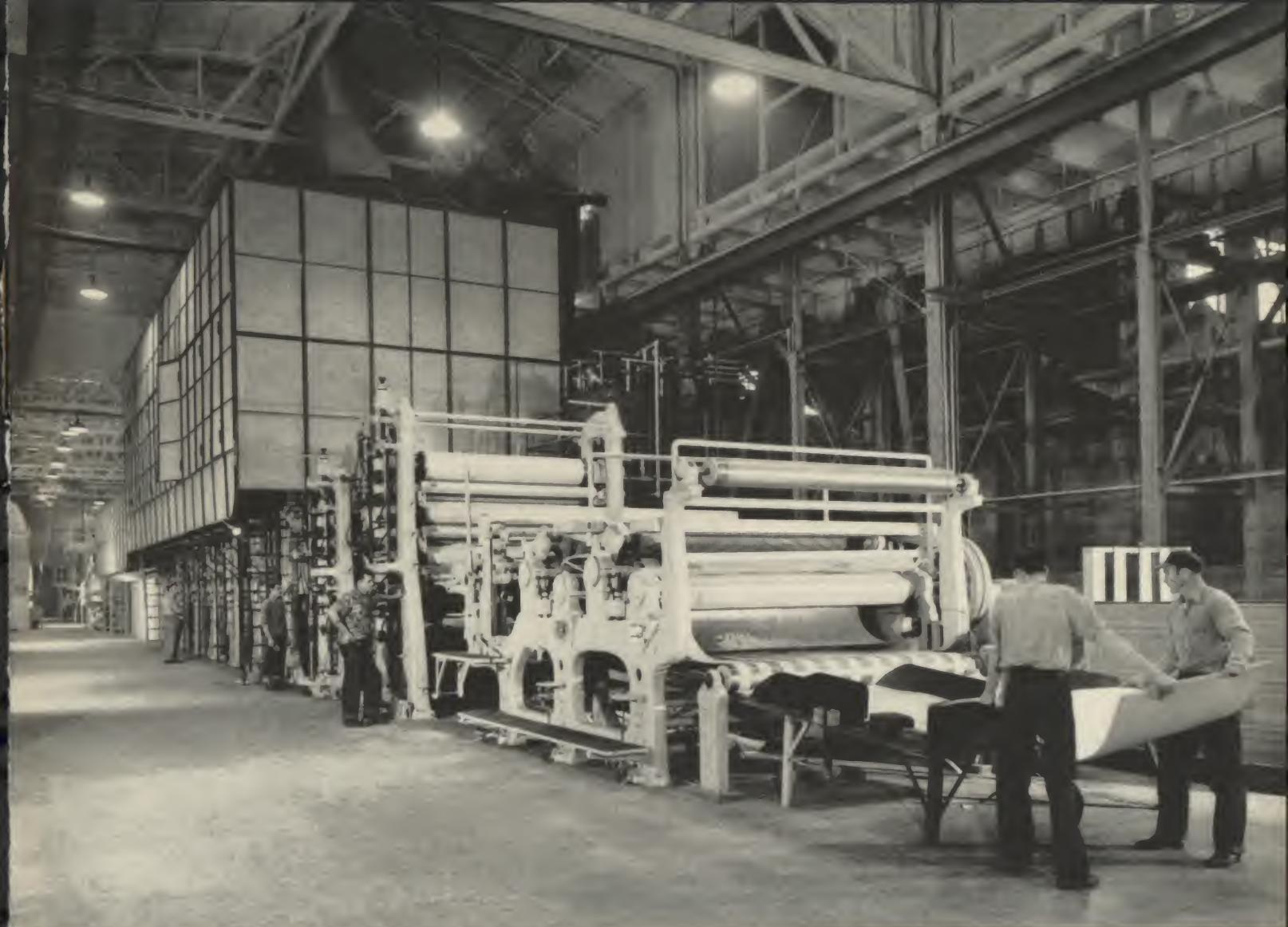
Quarterly earnings per share of outstanding common stock are tabulated below:

1st Quarter .....	\$1.97
2nd Quarter.....	1.73
3rd Quarter.....	.96
4th Quarter.....	<u>1.25</u>
	<u>\$5.91</u>

During 1951 the following dividends were paid:

Preferred Stock	Common Stock
March 1 .....	\$ .50
June 1.....	.50
September 1 .....	.50
December 1 .....	.50
<u>\$4.00</u>	<u>.75</u>
	<u>\$2.75</u>

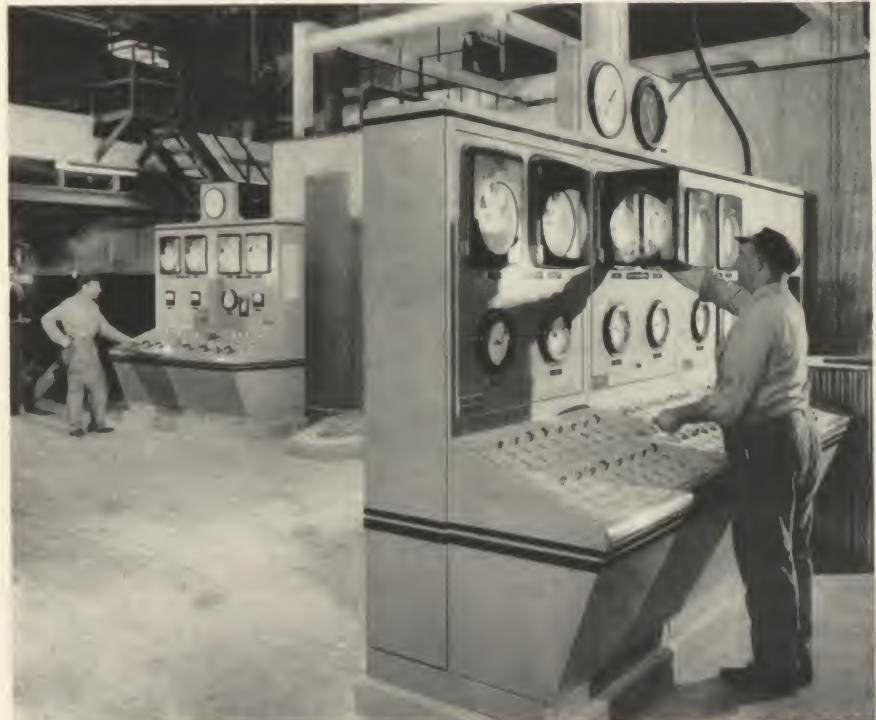




Above, new cylinder paperboard machine at the Los Angeles 57th Street mill.

Right, control panels for stock preparation and for the new paperboard machine.

Opposite, trailers with typical lettering, which serve as traveling billboards as the vehicles move through cities and across country.

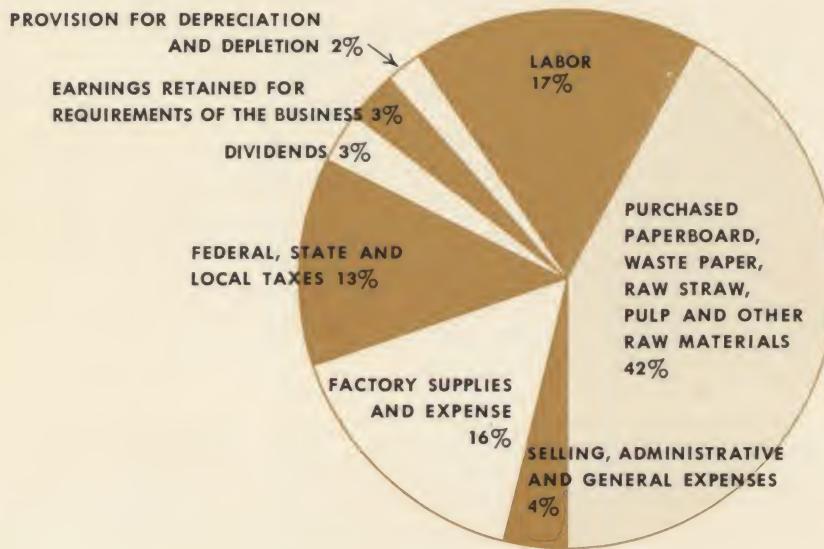


A three year comparison of operating results follows:

	1951	1950	1949
Sales.....	\$212,562,019	\$154,841,198	\$114,770,627
Earnings before Federal taxes on income.....	\$ 37,115,997	\$ 22,696,626	\$ 14,752,328
Provision for Federal income and excess profits taxes.....	25,050,000	10,680,000	5,975,000
Net earnings for the year.....	<u>\$ 12,065,997</u>	<u>\$ 12,016,626</u>	<u>\$ 8,777,328</u>

Provision for depreciation was \$3,325,397 computed at rates similar to those of preceding years. As additional capital expenditures were completed, the actual provision for depreciation increased. Timber depletion during 1951 amounted to \$218,412. It has continued to be your Company's policy to purchase most of its pulpwood requirements from numerous small suppliers, thus conserving your Company's own timberlands for additional growth and future use.

Repair and maintenance charges were higher than in the previous year, reflecting the increased cost of labor and materials.



Federal, state, and local taxes amounted to \$27,868,542 or \$14.07 per share of outstanding common stock. Of this amount \$25,050,000 or \$12.65 per share was provided for Federal taxes on income, including excess profits taxes. State and local taxes continued to increase, amounting to \$1,677,033 compared with \$1,245,829 in 1950 and \$994,833 in 1949. Payroll taxes for social security purposes were \$1,141,509, equivalent to \$97 for each employee.

Disposition of your Company's sales dollars is analyzed in diagram and tabulated form:

	1951	1950		
	\$212,562,019	100%	\$154,841,198	100%
Sales.....				
Purchased paperboard, waste paper, raw straw, pulp and other raw materials.....	\$ 90,862,280	42%	\$ 62,093,680	40%
Labor.....	35,335,515	17	31,026,068	20
Factory supplies and expense.....	33,146,550	16	25,838,511	17
Provision for depreciation and depletion.....	3,543,809	2	3,045,298	2
Selling, administrative, and general expenses.....	9,739,326	4	7,992,129	5
Federal, state, and local taxes.....	27,868,542	13	12,828,886	8
Dividends.....	5,813,657	3	5,838,327	4
Earnings retained for requirements of the business..	<u>6,252,340</u>	<u>3</u>	<u>6,178,299</u>	<u>4</u>



Above, recent view of the Fernandina, Florida kraft containerboard mill.

Right, storing pulpwood logs at the Fernandina mill.



There appears below a statement of disposition of earnings and other corporate funds:

Funds were provided from the following sources:

Earnings for the year.....	\$12,065,997
Expense item which did not require cash expenditures—	
Provision for depreciation (includes depletion of \$218,412). . . . .	3,543,809
Decrease in funds set aside for improvements.....	<u>15,609,806</u>
Total funds provided.....	492,669
	<u>\$16,102,475</u>

Funds were expended or segregated for the following:

Dividends—

4% Cumulative preferred stock.....	\$ 366,050
Common stock.....	<u>5,447,607</u> \$ 5,813,657

Plant and equipment—

Additions.....	\$6,984,301
Less net book value of sales and retirements.....	<u>56,251</u> 6,928,050

Retirement of preferred stock .....	303,684
Increase in other investments and advances.....	374,897
Increase in deferred charges.....	<u>632,810</u> \$14,053,098

Resulting in an increase in working capital of.....

\$ 2,049,377

**WORKING CAPITAL.** The following table reflects changes in working capital from 1950 to 1951:

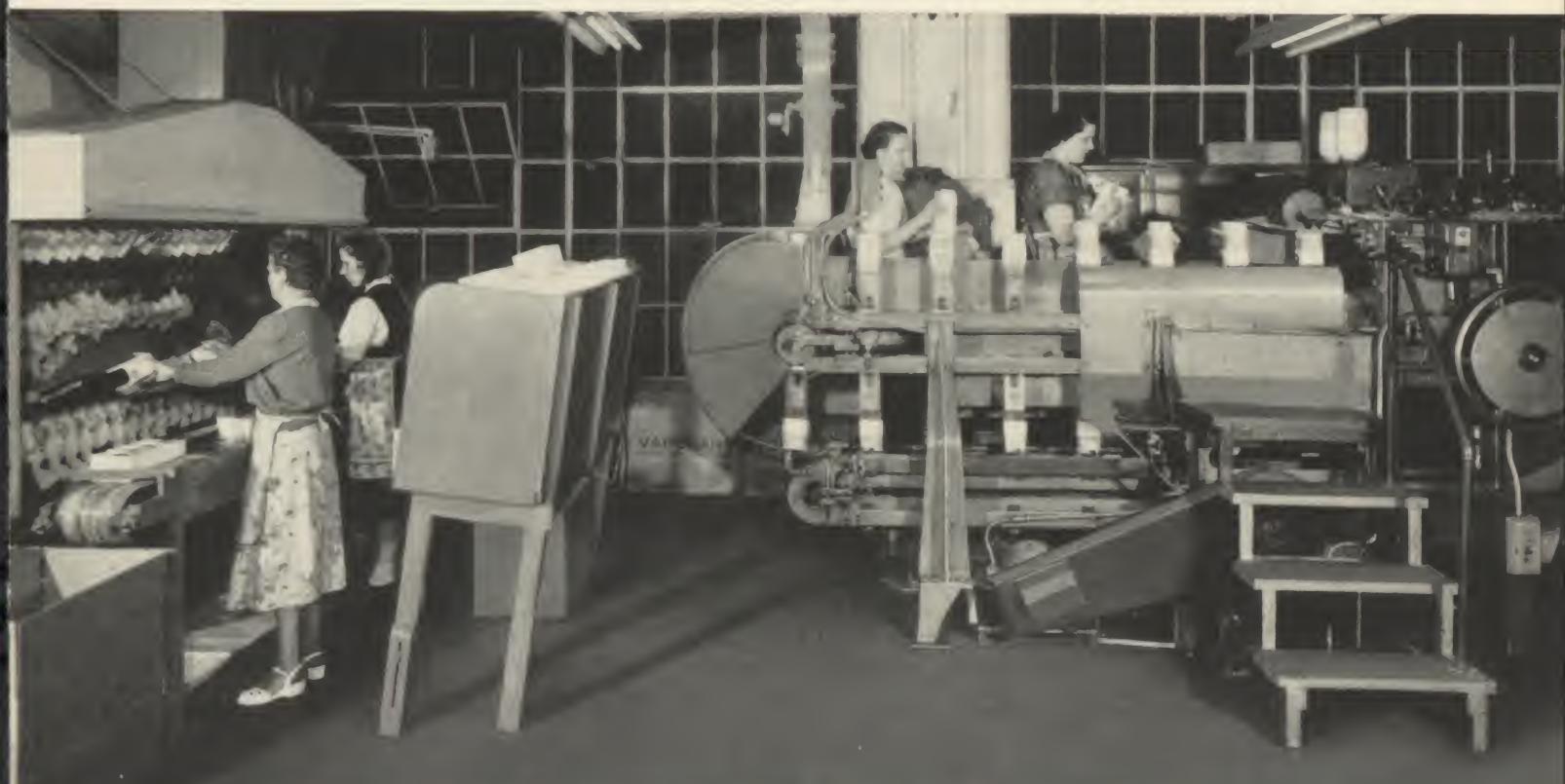
	December 31		Increase or Decrease (d)
	1951	1950	
<b>CURRENT ASSETS:</b>			
Cash.....	\$ 7,208,535	\$ 7,046,301	\$ 162,234
U. S. Government securities.....	3,059,559	409,754	2,649,805
Accounts receivable.....	8,559,391	9,733,435	1,174,044 (d)
Inventories.....	11,688,373	11,924,620	236,247 (d)
Total current assets.....	<u>\$30,515,858</u>	<u>\$29,114,110</u>	<u>\$1,401,748</u>
<b>CURRENT LIABILITIES:</b>			
Accounts payable.....	\$ 1,580,387	\$ 3,060,885	\$1,480,498 (d)
Accrued wages, etc.....	2,704,233	1,950,068	754,165
Accrued taxes.....	1,440,449	1,088,145	352,304
Provision for Federal taxes on income.....	*	*	—
Dividends payable.....	91,550	97,190	5,640 (d)
Sinking fund payments due within a year.....	55,825	323,785	267,960 (d)
Total current liabilities.....	<u>\$5,872,444</u>	<u>\$ 6,520,073</u>	<u>\$ 647,629 (d)</u>
Net working capital.....	<u>\$24,643,414</u>	<u>\$22,594,037</u>	<u>\$2,049,377</u>
Current ratio .....	5.20 to 1	4.47 to 1	
*Provision for Federal taxes on income.....	\$27,090,251	\$12,585,392	
Less U. S. Treasury Notes .....	<u>27,090,251</u>	<u>12,585,392</u>	



Uniformity of ink coverage is important to good color control. This instrument is used to check the film thickness on any area of a press sheet.



Below, specially designed machines at the Chicago, 35th Street factory for the production of frozen food packages. These are provided with transparent plastic covers as pictured above.



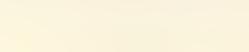
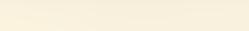
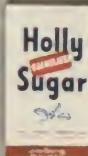


Above, five-color press of type recently installed at the Chicago and Philadelphia folding carton factories.



Right, multicolor packages produced by the folding carton factories of the Company.

Left, Ocular camera used in making studies of folding carton design.





Right, multicolor packages produced by the folding carton factories of the Company.

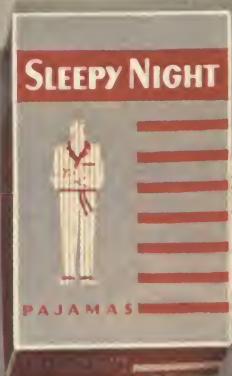
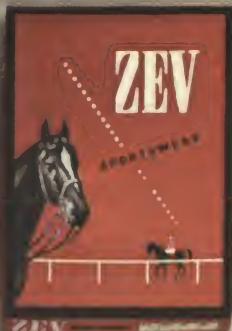
Left, a revolving vision-meter developed by the Design Laboratory to check legibility of carton lettering from various points as seen in a shelf display.

The net improvement in working capital was \$2,049,377. U. S. Government securities were \$2,649,805 higher than in the preceding year. The decrease of \$1,174,044 in accounts receivable reflected the lower volume of business at the end of the year compared with the previous year end.

**CAPITALIZATION.** The capital structure of the Company remained unchanged during the year except for changes in the preferred stock. Early in the year 3,000 shares were called for redemption to meet 1950 sinking fund requirements and in December an additional 3,000 shares, which had been purchased on the market, were set aside for the 1951 sinking fund requirements. There are in the treasury 2,450 shares which are available for future sinking fund requirements.

**EARNINGS RETAINED FOR REQUIREMENTS OF THE BUSINESS.** Credited to this account were the earnings for the year of \$12,065,997. Combined preferred and common share dividends declared during the year of \$5,813,657 were deducted, and the difference of \$6,252,340 represents the net addition.

**SHAREHOLDERS.** Individual shareholders at the year end numbered 11,181, exclusive of brokers, institutions, and corporations. The average number of shares owned by these individuals was 122. The largest single shareholder of all classifications owned less than 5% of the Company's outstanding common shares. Slightly less than 53% of the common shares of the Company are held by owners of 400 shares or less. Shareholders of the Company reside in every state of the Union; in addition there are shareholders in 16 foreign countries.



## OPERATIONS

CAPITAL IMPROVEMENTS. Capital expenditures for 1951 were \$6,984,301. The modern boxboard mill in Los Angeles, California was completed in September. It is producing an excellent quality of boxboard which is used in your Company's expanding folding carton business on the West Coast.

Further improvements in the paperboard mills of your Company were made with the constant objectives of high quality and low cost. New fabricating equipment was installed in container and folding carton properties throughout the Company.

Construction was begun at Fernandina, Florida for increased production in the pulp mill and for the production of corrugating medium used in the manufacture of corrugated shipping containers. This work is planned for completion by the end of the year. Cash and U.S. Government securities were set aside to cover the cost of this construction.

Ground has been broken at Oaks, Pennsylvania, about thirty miles outside of Philadelphia, for a new folding carton plant. Construction should be completed this year.

The Sefton Fibre Can Company, a subsidiary, completed construction of a new plant at Piqua, Ohio. This property is now producing a large quantity of ammunition containers for the Ordnance Department of the U. S. Army.

Another subsidiary, Pioneer Paper Stock Company, has begun construction of a new plant at 2600 North Elston Avenue, Chicago. A recently planned superhighway will make present Chicago operations practically impossible and force the moving of operations to this new site.

These three new buildings were financed through sale and lease-back arrangements.

Few new capital expenditures are planned for this year. There is a carry over of some \$6,325,000 of previously approved projects, so that actual capital outlays will not vary greatly from the expenditures of 1951. Operating facilities throughout the Company are in good condition. However, it will be necessary to add further improvements as they become available in order to keep pace with the times and developments.

PRODUCTION. The table which follows sets forth the tons of pulp and paperboard produced by the Company's pulp and paperboard mills, and the tons of finished product shipped by the mills and factories to customers:

	Tons produced in mills	Tons finished product shipped
1942.....	508,423	575,856
1943.....	537,076	598,918
1944.....	523,946	585,018
1945.....	534,131	597,267
1946.....	558,621	624,126
1947.....	589,780	675,583
1948.....	617,936	725,798
1949.....	556,854	673,038
1950.....	693,960	863,888
1951.....	745,246	914,861

The tons of finished product shipped again exceeded tons produced in the Company's mills because of paperboard purchased from outside sources.



Corrugated shipping containers made in various factories of the Company.



Solid fibre shipping containers.



**REFORESTATION.** At the end of 1951 your Company owned outright and had timber cutting rights on a combined total of 123,000 acres of timberland. Great care has been exercised in following the best practices in the fire protection of standing timber, fencing timber areas, and doing a certain amount of selective cutting or thinning out in order to give the rest of the timber a better chance to grow and develop.

Last year 3,000,000 pine seedlings were purchased. Through local county agents 2,000,000 of these were given to 4-H Clubs, Future Farmers of America, and individual wood farmers living in the immediate Fernandina area, and 1,000,000 seedlings were planted under the supervision of your Company's foresters on land which is Company owned. For eleven years now seedlings have been distributed and planted. It is estimated that in less than 20 years from date of planting seedlings, grown timber is ready to cut for pulpwood purposes.

## SALES

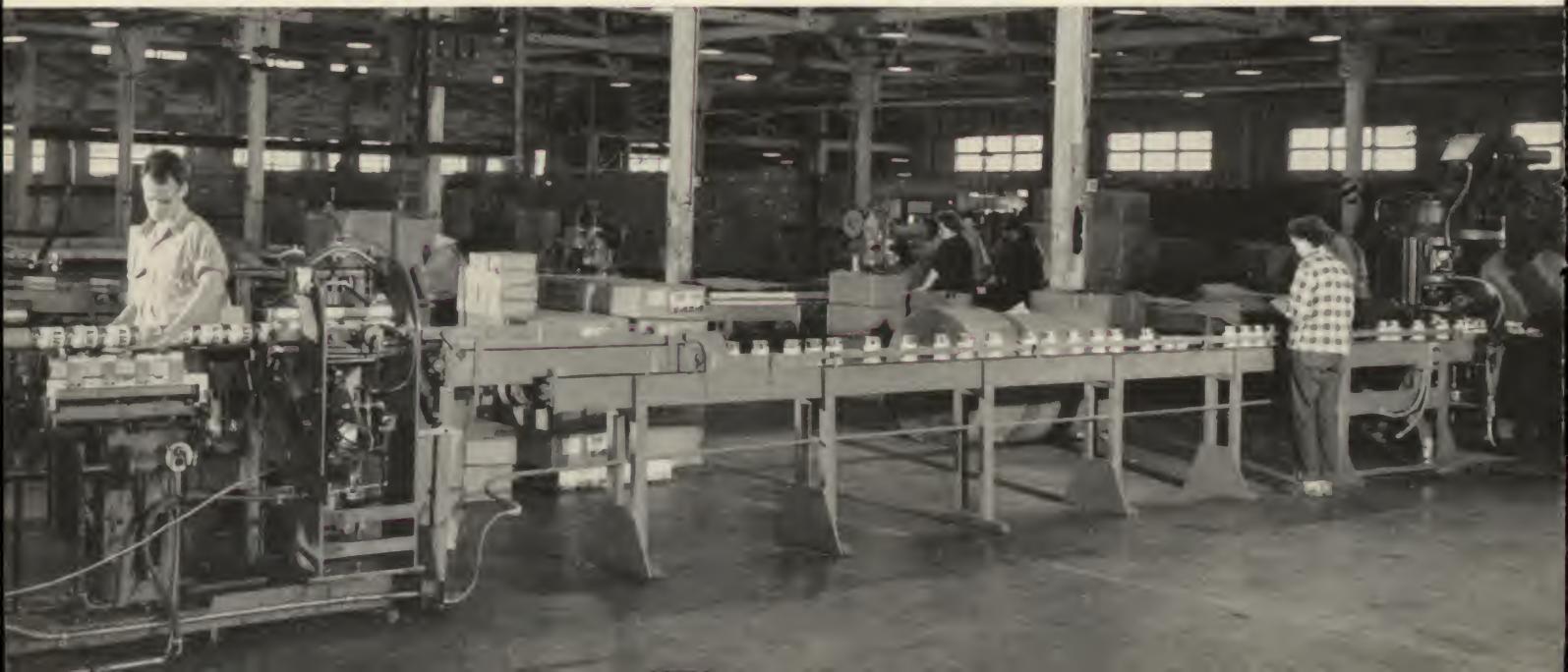
Consolidated sales for last year amounted to \$212,562,019 compared with \$154,841,198 for the preceding year—an increase of 37% and a new high record. Selling prices remained quite steady throughout the year. The proportion of sales of fabricated products to total sales is reflected in the following table:

Corrugated and solid fibre shipping containers .....	\$115,847,124	55%
Folding cartons and fibre cans.....	59,621,281	28
Total fabricated products.....	\$175,468,405	83%
Paperboard, pulp and waste paper.....	37,093,614	17
Total sales .....	<u><u>\$212,562,019</u></u>	<u><u>100%</u></u>



Left, recent production from the Sefton Fibre Can Company factories.

Below, production line for frozen food cans at the Sefton Fibre Can Company Portland, Oregon factory.



Continued cooperation was extended to various governmental agencies in order to give prompt service to military requirements; during the second half of the year, the demand for these products was less than during the first half. However, with the commencement of operations of the fibre can plant at Piqua, Ohio, the previously mentioned additional production is now underway. Your Company produced a large quantity of war packages during World War II; examples were special strength shipping containers, ration cartons and ammunition containers. At all times the Company is well prepared to assume an important role in providing packaging for military requirements without any appreciable conversion problem.

The package research and design departments were somewhat expanded during the year to meet the growing demand from present and prospective customers for packages of distinctive and attractive design, a field in which the Company specializes. These activities are being decentralized continually to a greater degree so that broader and better service can be provided for customers in all the local areas in which the Company operates.

Good progress was made in introducing more fibre and corrugated shipping containers in the heavy appliance field, including the packaging of washing machines, stoves, lawn mowers, and other appliances. Functional, practical, and attractively designed containers have been introduced and are receiving encouraging acceptance because of reduced costs of packaging, in protecting and transporting these commodities from point of production to point of distribution.

#### S U B S I D I A R Y A N D A F F I L I A T E D C O M P A N I E S

Wholly owned subsidiaries of the parent company are the following: O. B. Andrews Company, with paperboard, shipping container and folding carton operations in the South and Southeastern states; California Container Corporation, which operates paperboard mills, corrugated and solid fibre shipping container factories and folding carton factories in Washington, Oregon, and California; Sefton Fibre Can Company, producers of fibre cans in Missouri, Louisiana, Oregon, and Ohio; and Pioneer Paper Stock Company, which collects, processes, and ships all types and grades of waste paper, with operations in Chicago, Philadelphia, Detroit, Kalamazoo and Baltimore. All of the subsidiary companies experienced a good volume of business during the year and made further progress in developing and expanding their markets.

**FOREIGN INVESTMENTS.** Carton de Colombia, S. A. is 50% foreign owned and 50% owned by your Company. Its sales volume and earnings were greater than in the preceding year. A modern paper mill for the manufacture of kraft bag paper is now being erected at Cali, Colombia, adjoining the paperboard mill, shipping container and folding carton operations; this new mill should be completed during the latter part of this year. A new kraft bag factory began operations at Cali; it will ultimately consume a large part of the paper to be produced in the new bag paper mill.



Left and opposite, shipping containers and folding cartons manufactured by Carton de Colombia, S. A. and Cartoenvases de Mexico, S.A., plants.

Below, chemical equipment used for clarifying effluent at the Los Angeles 57th Street mill.





Cartoenvases de Mexico, S. A., in which your Company also owns a 50% stock interest, enjoyed its largest sales and earnings thus far. This property produces various types of folding cartons and is growing with the continuing industrialization of Mexico.

#### INDUSTRY CONDITIONS

The paperboard industry operated at 94% of capacity, and produced 11,780,000 tons compared with 94% and 10,979,000 tons in the previous year, an increase of 7% in tons.

The container industry unit shipments for the year were 77.0 billion square feet, a decrease from 78.4 billion in the previous year, or about 2%.

The folding carton industry consumed 2,591,000 tons of boxboard, which was 1.4% more than in the previous year.

The per capita consumption of paper and paperboard products in 1951 set a new record of 415 pounds. This compares with 244 pounds in 1939 and 319 pounds in 1946, indicating the continued growth over the years of paper and paperboard products in the United States.

It is estimated that 2,000,000 tons of additional paperboard capacity may be completed by 1954, an increase of some 20%. During the last few years some very serious shortages of paperboard occurred. This additional capacity should provide against recurrences of similar unbalances of supply and demand.

We both

consider the people  
as our children  
with and love them  
with parental affection

but

you love them  
as infants

whom you are afraid  
to trust  
without nurses

and I as

adults whom I  
freely leave to  
self-government

Thomas Jefferson



## EMPLOYEE RELATIONS

The total number of men and women employed by the Company at the year end was 11,786. Labor relations continued to be quite satisfactory with only minor interruptions.

As a Christmas remembrance a money order was sent to each of the 587 employees who were then in military service.

**RETIREMENT ANNUITY PLAN.** At the end of the year participation in the Company's Retirement Annuity Plan, in effect since January 1, 1941, was 90% of those employees eligible to participate. Combined employee and Company contributions for the year 1951 amounted to \$2,190,237; the employees contributed \$876,095, and the Company \$1,314,142. Contributions by and on account of executive officers amounted to 2.6% while 97.4% was contributed by and on account of other employees.

**MANAGEMENT PROFIT SHARING PLAN.** Under this plan, approved by the shareholders at their annual meeting in 1940, a total amount of \$5,026,680 would have been payable for the year 1951; however, the non-participating directors entrusted with the final determination under the plan, concluded that under present conditions the amount should be limited to \$547,600, compared with \$481,650 last year. The following is the distribution of the amount authorized: 16.4% to the Chairman of the Board, 8.7% to the President, 15.2% to the two Executive Vice Presidents, 18.7% to the five Vice Presidents, and 41.0% to other employees, including the Secretary, Treasurer, and the Controller.

**CONTAINER COMMON STOCK BONUS PLAN.** In the latter part of the year a common stock bonus plan for approximately one thousand salaried employees was created for the purpose of acquiring shares of common stock of the Company. Contributions to the plan by the Company including its wholly owned subsidiaries amounted to approximately \$690,000 for the year.

The officers and employees who are members of the management profit sharing plan do not receive any additional compensation as a result of the creation of the stock bonus plan, although they participate in it.

THE BOARD OF DIRECTORS expresses its warm appreciation for the loyal and conscientious performance of all the men and women in the organization; that this cooperation was effective is indicated by the results for the year which set a new record for the Company both as to sales and profits.

Submitted on behalf of the board of directors.

Cordially,



Chairman of the Board



President

One of the series of advertisements illustrating the theme "Great Ideas of Western Man".

**CONTAINER CORPORATION OF AMERICA AND  
CONSOLIDATED YEAR-END BALANCE SHEETS FOR TWELVE YEAR  
ASSETS**

	1951	1950	1949	1948	1947
Cash and U. S. Government securities.....	\$10,268,094	\$7,456,055	\$13,085,746	\$9,758,037	\$7,281,531
Accounts and notes receivable.....	8,559,391	9,733,435	4,709,071	4,918,005	6,180,152
Inventories.....	11,688,373	11,924,620	7,334,972	8,630,364	9,270,857
Total current assets.....	<b>\$30,515,858</b>	<b>\$29,114,110</b>	<b>\$25,129,789</b>	<b>\$23,306,406</b>	<b>\$22,732,540</b>
Cash and U. S. Government securities set aside for improvements.....	3,007,331	3,500,000	4,000,000	4,350,000	6,000,000
Postwar excess profits tax refund.....	—	—	—	—	—
Other receivables and investments.....	1,661,084	1,286,187	1,031,307	1,273,932	1,317,990
Land.....	4,605,894	4,598,890	4,127,968	4,050,794	3,827,846
Buildings, machinery and equipment.....	69,663,809	63,186,670	57,704,750	52,725,650	45,853,731
Reserve for depreciation.....	<b>31,781,821</b>	<b>28,681,919</b>	<b>26,017,667</b>	<b>23,728,028</b>	<b>21,885,495</b>
Deferred charges.....	1,754,186	1,121,376	1,036,349	1,188,846	786,845
Goodwill and patents.....	I	I	I	I	I
	<b>\$79,426,342</b>	<b>\$74,125,315</b>	<b>\$67,012,497</b>	<b>\$63,167,601</b>	<b>\$58,633,458</b>

**LIABILITIES**

Accounts payable.....	\$ 1,580,387	\$ 3,060,885	\$ 1,811,759	\$ 1,910,061	\$ 3,019,510
Accrued wages, taxes, etc.....	4,144,682	3,038,213	2,307,768	2,548,978	2,370,144
Provision for Federal taxes on income.....	—*	—*	—*	—*	—*
Dividends payable.....	91,550	97,190	98,050	98,900	100,000
Sinking fund payments due within a year..	55,825	323,785	106,575	—	—
Total current liabilities.....	<b>\$ 5,872,444</b>	<b>\$ 6,520,073</b>	<b>\$ 4,324,152</b>	<b>\$ 4,557,939</b>	<b>\$ 5,489,654</b>
Funded debt.....	—	—	—	—	—
Reserve for contingencies.....	—	—	955,190	1,110,522	1,110,522
Capital:					
Preferred stock.....	9,400,000	10,000,000	10,000,000	10,000,000	10,000,000
Common stock.....	19,809,480	19,809,480	19,809,480	19,809,480	19,809,480
Investment in excess of par value .....	3,829,851	3,829,851	3,829,851	3,829,851	3,829,851
Earnings reinvested .....	40,815,392	34,563,052	28,384,753	23,962,511	18,393,951
Sinking fund for retirement of preferred stock.....	<b>300,825</b>	<b>597,141</b>	<b>290,929</b>	<b>102,702</b>	—
	<b>\$79,426,342</b>	<b>\$74,125,315</b>	<b>\$67,012,497</b>	<b>\$63,167,601</b>	<b>\$58,633,458</b>
Working capital.....	\$24,643,414	\$22,594,037	\$20,805,637	\$18,748,467	\$17,242,886
Current ratio.....	5.20 to 1	4.47 to 1	5.81 to 1	5.11 to 1	4.14 to 1
Book value per common share.....	\$ 32.54	\$ 29.38	\$ 26.27	\$ 24.03	\$ 21.22
<i>Note—Italics denote red figures.</i>					
*Provision for Federal taxes on income which includes renegotiation reserve for 1943, 1944 and 1945.....	\$27,090,251	\$12,585,392	\$7,141,293	\$7,596,493	\$7,835,425
Less U. S. Treasury Notes.....	27,090,251	12,585,392	7,141,293	7,596,493	7,835,425
	—	—	—	—	—

**S U B S I D I A R Y C O M P A N I E S**  
**PERIOD ENDED DECEMBER 31, 1951**

1946	1945	1944	1943	1942	1941	1940
\$ 6,050,656	\$ 5,612,054	\$ 2,977,153	\$ 1,946,896	\$ 1,501,933	\$ 1,249,665	\$ 2,456,532
5,115,371	3,081,785	2,809,884	2,913,481	2,380,611	3,108,880	1,969,006
6,136,154	4,529,376	3,737,137	3,481,416	3,199,667	4,340,712	3,410,931
<b>\$17,302,181</b>	<b>\$13,223,215</b>	<b>\$ 9,524,174</b>	<b>\$ 8,341,793</b>	<b>\$ 7,082,211</b>	<b>\$ 8,699,257</b>	<b>\$ 7,836,469</b>
4,000,000	—	—	—	—	—	—
—	—	1,720,834	1,010,834	361,000	—	—
1,596,964	1,324,789	864,472	76,143	135,134	367,664	802,253
3,717,904	3,549,668	3,551,231	3,569,681	3,583,906	3,599,118	3,485,447
34,758,138	29,122,070	27,867,623	26,972,366	26,361,566	25,864,025	25,096,655
<b>19,284,987</b>	<b>17,173,036</b>	<b>15,918,586</b>	<b>14,573,515</b>	<b>13,269,224</b>	<b>11,952,714</b>	<b>10,992,835</b>
803,285	482,755	508,991	446,918	283,175	227,151	187,062
I	I	I	I	I	I	I
<b>\$42,893,486</b>	<b>\$30,529,462</b>	<b>\$28,118,740</b>	<b>\$25,844,221</b>	<b>\$24,537,769</b>	<b>\$26,804,502</b>	<b>\$26,415,052</b>

\$ 2,037,779	\$ 2,309,871	\$ 1,462,096	\$ 849,217	\$ 1,154,353	\$ 1,321,396	\$ 345,977
2,184,104	1,835,630	1,426,907	1,256,587	1,048,981	1,118,470	832,830
—*	—*	—*	—*	—*	360,070*	1,186,977
—	—	—	—	—	—	—
—	—	—	—	—	—	—
<b>\$ 4,221,883</b>	<b>\$ 4,145,501</b>	<b>\$ 2,889,003</b>	<b>\$ 2,105,804</b>	<b>\$ 2,203,334</b>	<b>\$ 2,799,936</b>	<b>\$ 2,365,784</b>
—	—	—	—	—	2,900,000	4,100,000
2,000,000	1,400,000	1,100,000	500,000	—	—	—
—	—	—	—	—	—	—
19,809,480	15,625,060	15,625,060	15,625,060	15,625,060	15,625,060	15,625,060
3,829,851	671,494	671,494	671,494	671,494	671,494	671,494
13,032,272	8,687,407	7,833,183	6,941,863	6,037,881	4,808,012	3,652,714
—	—	—	—	—	—	—
<b>\$42,893,486</b>	<b>\$30,529,462</b>	<b>\$28,118,740</b>	<b>\$25,844,221</b>	<b>\$24,537,769</b>	<b>\$26,804,502</b>	<b>\$26,415,052</b>
<b>\$13,080,298</b>	<b>\$ 9,077,714</b>	<b>\$ 6,635,171</b>	<b>\$ 6,235,989</b>	<b>\$ 4,878,877</b>	<b>\$ 5,899,321</b>	<b>\$ 5,470,685</b>
4.10 to 1	3.19 to 1	3.30 to 1	3.96 to 1	3.21 to 1	3.11 to 1	3.31 to 1
\$ 18.51	\$ 15.99	\$ 15.44	\$ 14.87	\$ 14.29	\$ 13.51	\$ 12.77
<b>\$7,266,403</b>	<b>\$8,080,442</b>	<b>\$9,896,997</b>	<b>\$9,218,820</b>	<b>\$6,878,426</b>	<b>\$4,564,790</b>	<b>\$4,204,720</b>
—	—	—	—	—	360,070	—

**CONTAINER CORPORATION OF AMERICA AND  
CONSOLIDATED INCOME STATEMENTS FOR TWELVE YEAR PERIOD**

	1951	1950	1949	1948	1947
Sales.....	\$212,562,019	\$154,841,198	\$114,770,627	\$131,056,327	\$128,345,675
Cost of sales.....	161,894,529	120,920,688	89,826,767	104,282,979	102,475,747
Gross earnings.....	\$ 50,667,490	\$ 33,920,510	\$ 24,943,860	\$ 26,773,348	\$ 25,869,928
Provision for depreciation.....	3,432,505	2,953,163	2,650,180	2,433,370	1,715,774
Gross earnings from operations....	\$ 47,234,985	\$ 30,967,347	\$ 22,293,680	\$ 24,339,978	\$ 24,154,154
Selling, administrative, and general expenses.....	10,901,566	8,922,520	7,936,829	7,585,901	6,872,580
Earnings from operations.....	\$ 36,333,419	\$ 22,044,827	\$ 14,356,851	\$ 16,754,077	\$ 17,281,574
Other income and <i>deductions</i> , net .....	782,578	651,799	395,477	236,516	307,971
Earnings before interest and Federal taxes on income .....	\$ 37,115,997	\$ 22,696,626	\$ 14,752,328	\$ 16,990,593	\$ 16,973,603
Interest charges, etc.....	—	—	—	—	—
Earnings before Federal taxes on income .....	\$ 37,115,997	\$ 22,696,626	\$ 14,752,328	\$ 16,990,593	\$ 16,973,603
Provision for Federal taxes on income (including renegotiation in 1945, 1944 and 1943) .....	25,050,000	10,680,000	5,975,000	6,566,000	6,700,000
Net earnings for the year.....	\$ 12,065,997	\$ 12,016,626	\$ 8,777,328	\$ 10,424,593	\$ 10,273,603
Provision for contingencies reserve.....	—	—	—	—	—
Balance to earnings reinvested ...	<u>\$ 12,065,997</u>	<u>\$ 12,016,626</u>	<u>\$ 8,777,328</u>	<u>\$ 10,424,593</u>	<u>\$ 10,273,603</u>
Earnings per share:					
Preferred stock.....	\$ 131.80	\$ 123.64	\$ 89.52	\$ 105.41	\$ 102.74
Common stock .....	\$ 5.91	\$ 5.87	\$ 4.23	\$ 5.06	\$ 5.05

**RECORD OF DIVIDENDS AND INTEREST PAID ON FUNDED DEBT**

Dividends:

Preferred stock.....	\$ 366,050	\$ 390,720	\$ 393,190	\$ 398,900	\$ 344,000
Common stock.....	5,447,607	5,447,607	3,961,896	4,457,133	4,457,133
Total dividends.....	<u>\$ 5,813,657</u>	<u>\$ 5,838,327</u>	<u>\$ 4,355,086</u>	<u>\$ 4,856,033</u>	<u>\$ 4,801,133</u>
**Interest paid on funded debt.....	—	—	—	—	—
Total dividends and interest.....	<u>\$ 5,813,657</u>	<u>\$ 5,838,327</u>	<u>\$ 4,355,086</u>	<u>\$ 4,856,033</u>	<u>\$ 4,801,133</u>

Dividends per share:

Preferred stock.....	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 3.44
Common stock .....	\$ 2.75	\$ 2.75	\$ 2.00	\$ 2.25	\$ 2.25

\*Paid on preferred stock issues of subsidiary companies. Such issues were retired in 1946.

\*\*On basis of cash payments made. This differs slightly from accrual basis used on profit and loss statement.

# S U B S I D I A R Y C O M P A N I E S

ENDED DECEMBER 31, 1951

1946	1945	1944	1943	1942	1941	1940	Total
\$91,090,286	\$74,138,191	\$69,641,096	\$61,163,685	\$49,533,239	\$46,714,221	\$30,464,677	\$1,164,321,241
71,246,408	59,589,990	53,830,458	46,206,565	36,668,926	35,548,267	23,339,894	905,831,218
\$19,843,878	\$14,548,201	\$15,810,638	\$14,957,120	\$12,864,313	\$11,165,954	\$ 7,124,783	\$ 258,490,023
1,493,346	1,435,464	1,481,306	1,421,460	1,411,499	1,307,975	1,241,246	22,977,288
\$18,350,532	\$13,112,737	\$14,329,332	\$13,535,660	\$11,452,814	\$ 9,857,979	\$ 5,883,537	\$ 235,512,735
5,317,302	4,496,451	4,025,746	3,412,501	3,016,086	2,953,587	2,361,345	67,802,414
\$13,033,230	\$ 8,616,286	\$10,303,586	\$10,123,159	\$ 8,436,728	\$ 6,904,392	\$ 3,522,192	\$ 167,710,321
102,331	399,817	209,613	260,895	181,652	69,679	113,030	2,956,058
\$13,135,561	\$ 9,016,103	\$10,513,199	\$10,384,054	\$ 8,618,380	\$ 6,834,713	\$ 3,635,222	\$ 170,666,379
—	—	—	—	36,632	92,536	220,540	349,708
\$13,135,561	\$ 9,016,103	\$10,513,199	\$10,384,054	\$ 8,581,748	\$ 6,742,177	\$ 3,414,682	\$ 170,316,671
5,370,000	6,690,000	7,850,000	7,700,000	6,180,000	4,415,000	1,187,000	94,363,000
\$ 7,765,561	\$ 2,326,103	\$ 2,663,199	\$ 2,684,054	\$ 2,401,748	\$ 2,327,177	\$ 2,227,682	\$ 75,953,671
600,000	300,000	600,000	500,000	—	—	—	2,000,000
\$ 7,165,561	\$ 2,026,103	\$ 2,063,199	\$ 2,184,054	\$ 2,401,748	\$ 2,327,177	\$ 2,227,682	\$ 73,953,671
—	—	—	—	—	—	—	—
\$ 3.62	\$ 1.30	\$ 1.32	\$ 1.40	\$ 1.54	\$ 1.49	\$ 1.42	

FOR TWELVE YEAR PERIOD ENDED DECEMBER 31, 1951

\$ 4,664*	—	—	—	—	—	—	\$ 1,897,524
3,218,247	\$ 1,171,879	\$ 1,171,879	\$ 1,171,879	\$ 1,171,879	\$ 1,171,879	\$ 1,171,879	34,020,897
\$ 3,222,911	\$ 1,171,879	\$ 1,171,879	\$ 1,171,879	\$ 1,171,879	\$ 1,171,879	\$ 1,171,879	\$ 35,918,421
—	—	—	—	\$ 37,031	\$ 91,234	\$ 207,677	\$ 335,942
\$ 3,222,911	\$ 1,171,879	\$ 1,171,879	\$ 1,171,879	\$ 1,208,910	\$ 1,263,113	\$ 1,379,556	\$ 36,254,363
—	—	—	—	—	—	—	—
\$ 1.70	\$ .75	\$ .75	\$ .75	\$ .75	\$ .75	\$ .75	

## RAW MATERIALS

## PROCESSING

## MILLS



PULP WOOD FROM THE FORESTS



WASTE PAPER FROM THE CITIES



STRAW FROM THE FARMS



FERNANDINA

ATLANTA

BALTIMORE

CHICAGO

DETROIT

KALAMAZOO

PHILADELPHIA

PULP AND PAPERSTOCK



CHATTANOOGA

CHICAGO—OGDEN

CHICAGO—LAKE SHORE

CINCINNATI

FERNANDINA

LOS ANGELES

PHILADELPHIA

TACOMA

WABASH

WILMINGTON

CARTHAGE

CIRCLEVILLE

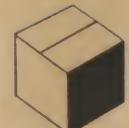
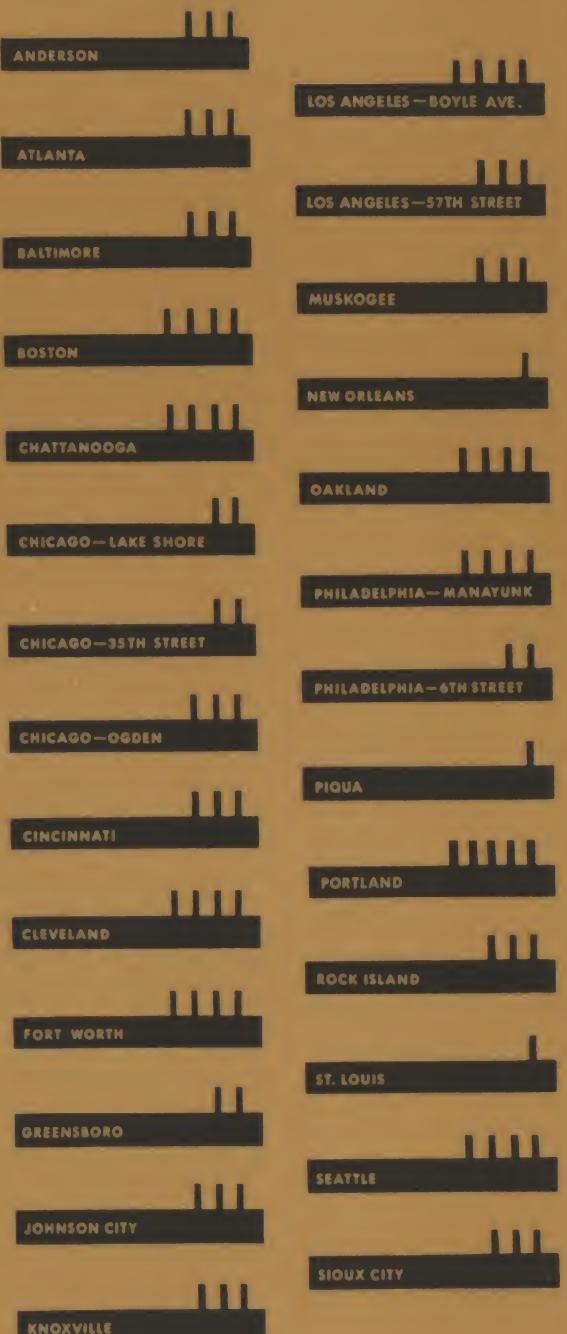
SOURCES AND FLOW OF PRIMARY MATERIALS THROUGH MILLS

## FACTORIES \*

## PRODUCTS

## USES

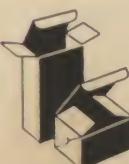
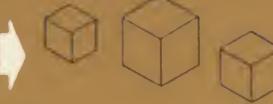
PAPERBOARD



CORRUGATED  
CONTAINERS



SOLID FIBRE  
CONTAINERS



FOLDING CARTONS



FROZEN FOOD  
PACKAGES



FIBRE CANS

Ammunition

Automotive Parts

Bakery Goods

Beer

Boots and Shoes

Building Materials

Canned Foods

Caps and Closures

Cereal Products

Chemicals

China & Pottery

Clothing

Coffee, Tea, Cocoa

Confectionery

Cosmetics

Dairy Products

Dehydrated Foods

Explosives

Electrical Products

Frozen Foods

Fruits and Vegetables

Furniture

Glass Products

Hardware

Household Goods

Linens and Towels

Liquor and Wine

Machines and Parts

Matches

Meat Products

Paint and Varnish

Paper Products

Personal Accessories

Petroleum Products

Pharmaceuticals

Publishers, Printers

Radio Products

Rubber Goods

Soaps and Cleansers

Soft Drinks

Spices

Sporting Goods

Sugar and Salt

Textiles

Tobacco Products

Tools

Toys and Games

Vegetable Products

AND FACTORIES OF CONTAINER CORPORATION OF AMERICA

\* The number of chimneys on the factory symbols indicates the products manufactured in them:

I—fibre cans

II—folding cartons

III—shipping containers

IV—folding cartons and shipping containers

V—folding cartons, shipping containers and fibre cans

**CONTAINER CORPORATION OF AMERICA**  
**COMPARATIVE CONSOLIDATED BALANCE SHEETS—**  
**ASSETS**

	1951	1950
<b>CURRENT ASSETS:</b>		
Cash.....	\$ 7,208,535	\$ 7,046,301
U. S. Government securities, at cost, plus accrued interest.....	3,059,559	409,754
Accounts receivable, less reserves of \$275,636 in 1951 and \$300,646 in 1950	8,559,391	9,733,435
Inventories of finished goods, work in process, raw materials and supplies —priced at the lower of average cost or market.....	11,688,373	11,924,620
Total current assets.....	<u>\$30,515,858</u>	<u>\$29,114,110</u>

**INVESTMENTS AND ADVANCES, at cost:**

Investments and advances to foreign subsidiaries not consolidated.....	\$ 1,350,000	\$ 950,000
Other.....	<u>311,084</u>	<u>336,187</u>
	<u>\$ 1,661,084</u>	<u>\$ 1,286,187</u>

<b>CASH AND U. S. GOVERNMENT SECURITIES SET ASIDE FOR IMPROVEMENTS...</b>	<b>\$ 3,007,331</b>	<b>\$ 3,500,000</b>
---	---------------------	---------------------

**PLANT AND EQUIPMENT**—stated at amounts (based in part on appraisals) recorded at dates of acquisition of properties (including properties acquired for capital stock), plus subsequent additions at cost:

	Gross	Reserves	
Land.....	\$ 4,605,894	\$ —	\$ 4,605,894
Buildings.....	15,217,821	5,515,874	9,701,947
Machinery, equipment, etc.....	46,895,539	21,301,732	25,593,807
Leasehold and leasehold improvements...	<u>7,550,449</u>	<u>4,964,215</u>	<u>2,586,234</u>
	<u>\$74,269,703</u>	<u>\$31,781,821</u>	<u>\$42,487,882</u>
			<u>\$39,103,641</u>

<b>PREPAID AND DEFERRED CHARGES.....</b>	<b>\$ 1,754,186</b>	<b>\$ 1,121,376</b>
--	---------------------	---------------------

<b>GOODWILL AND PATENTS.....</b>	<b>\$ 1</b>	<b>\$ 1</b>
	<u>\$79,426,342</u>	<u>\$74,125,315</u>

# A N D S U B S I D I A R Y C O M P A N I E S

DECEMBER 31, 1951 AND DECEMBER 31, 1950

## LIABILITIES

	1951	1950
CURRENT LIABILITIES:		
Accounts payable.....	\$ 1,580,387	\$ 3,060,885
Accrued liabilities—		
Salaries, wages and compensation provisions.....	2,621,505	1,846,364
Taxes, other than Federal taxes on income.....	1,440,449	1,088,145
Other.....	82,728	103,704
Dividends payable on preferred stock.....	91,550	97,190
Sinking fund payable on preferred stock.....	55,825	323,785
Provision for Federal taxes on income of \$27,090,251 in 1951 and \$12,585,392 in 1950 less an equivalent amount of United States Treasury Notes each year.....	—	—
Total current liabilities.....	<u>\$ 5,872,444</u>	<u>\$ 6,520,073</u>

## CAPITAL:

4% cumulative preferred stock, \$100 par value; authorized and issued 100,000 shares, less 6,000 shares retired by sinking fund at December 31, 1951.....	\$ 9,400,000	\$10,000,000
Common stock, \$10 par value; authorized 3,000,000, issued 1,980,948...	19,809,480	19,809,480
Shareholders' investment in excess of par value .....	3,829,851	3,829,851
Earnings retained for requirements of the business (earned surplus) (\$8,921,481 is restricted as to cash dividend payments on common stock)	<u>40,815,392</u>	<u>34,563,052</u>
Deduct—Cost of 2,450 shares of 4% cumulative preferred stock held in treasury and provision of \$55,825 for sinking fund on preferred stock at December 31, 1951.....	<u>300,825</u>	<u>597,141</u>
	<u>\$73,553,898</u>	<u>\$67,605,242</u>
	<u><u>\$79,426,342</u></u>	<u><u>\$74,125,315</u></u>

**CONTAINER CORPORATION OF AMERICA  
AND SUBSIDIARY COMPANIES**

**STATEMENTS OF CONSOLIDATED INCOME  
FOR THE YEARS ENDED DECEMBER 31, 1951 AND 1950**

	1951	1950
NET SALES.....	\$212,562,019	\$154,841,198
COST OF SALES.....	165,327,034	123,873,851
Gross income from operations .....	\$ 47,234,985	\$ 30,967,347
SELLING, ADMINISTRATIVE AND GENERAL EXPENSES.....	10,901,566	8,922,520
Income from operations (after depreciation and depletion provision of \$3,543,809 in 1951 and \$3,045,298 in 1950) ..	\$ 36,333,419	\$ 22,044,827
OTHER INCOME, net.....	782,578	651,799
Balance before taxes on income.....	\$ 37,115,997	\$ 22,696,626
PROVISION FOR FEDERAL TAXES ON INCOME—		
Normal and surtax .....	\$ 18,823,000	\$ 9,550,000
Excess profits tax.....	6,227,000	1,130,000
	<hr/>	<hr/>
Net income for year.....	\$ 12,065,997	\$ 12,016,626

**STATEMENT OF EARNINGS RETAINED FOR REQUIREMENTS OF THE BUSINESS  
FOR THE YEAR ENDED DECEMBER 31, 1951**

BALANCE, DECEMBER 31, 1950.....	\$34,563,052
NET INCOME FOR YEAR .....	12,065,997
	<hr/>
<b>CASH DIVIDENDS DECLARED:</b>	
Preferred stock (\$4.00 per share).....	\$ 366,050
Common stock (\$2.75 per share).....	5,447,607
	<hr/>
BALANCE, DECEMBER 31, 1951 (\$8,921,481 is restricted as to cash dividend payments on common stock).....	\$ 5,813,657
	<hr/>
	<b>\$40,815,392</b>

ARTHUR ANDERSEN & Co.

120 SOUTH LA SALLE STREET  
CHICAGO 3

To the Shareholders of

Container Corporation of America:

We have examined the consolidated balance sheet of CONTAINER CORPORATION OF AMERICA (a Delaware corporation) and subsidiaries as of December 31, 1951, and the related statements of consolidated income and earnings retained for requirements of the business for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We made a similar examination for the year ended December 31, 1950.

In our opinion, the accompanying consolidated balance sheet and statements of consolidated income and earnings retained for requirements of the business present fairly the financial position of Container Corporation of America and subsidiaries as of December 31, 1951, and the results of their operations for the year then ended, and were prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Chicago, Illinois,

February 4, 1952.

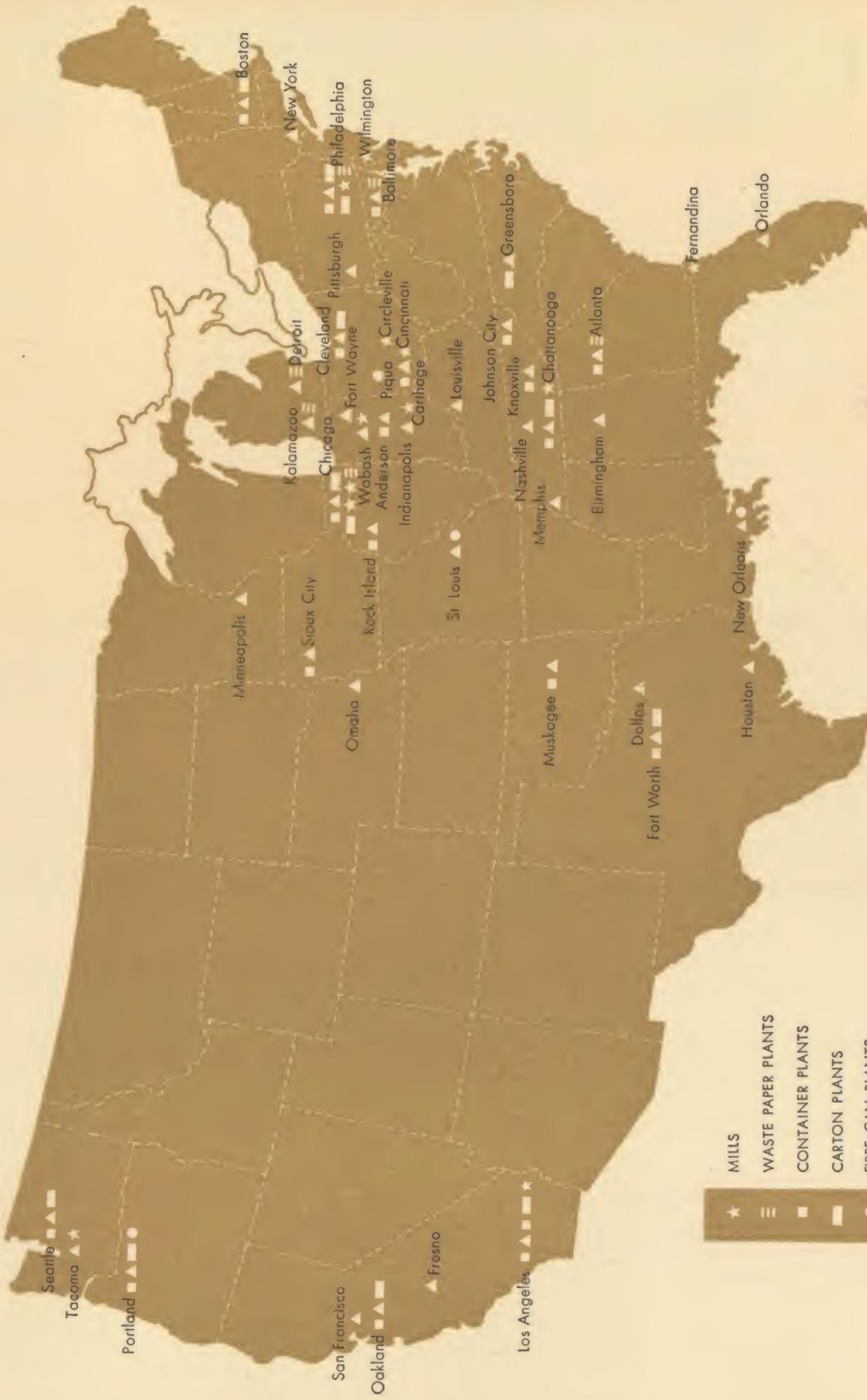
*Arthur Andersen Co.*



Above, conference room at Wabash, Indiana, where staff meetings and conferences are held.



Right, section of a recently completed employees' cafeteria at the Chicago, 35th Street factory.



Mills, factories and sales offices of the Company are strategically located with respect to the industries they serve.

Printed in the U. S. A.  
R. R. Donnelley & Sons Company  
Chicago 16, Illinois